

HOUSE BILL NO. 30

INTRODUCED BY C. HARRIS

A BILL FOR AN ACT ENTITLED: "AN ACT REDUCING THE GENERAL FUND SHORTFALL IN REVENUE BY TRANSFERRING TO THE GENERAL FUND ~~\$1 MILLION~~ \$32,896 OF THE EXCESS FUNDS FROM CLAIMS OCCURRING BEFORE JULY 1, 1990, WITH THE REMAINDER \$4,467,104 TO BE TRANSFERRED INTO A STATE SPECIAL REVENUE ACCOUNT TO OFFSET FISCAL YEAR 2003 REDUCTIONS TO SPECIFIC PROGRAMS IN THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES AND THE OFFICE OF PUBLIC INSTRUCTION WITH THE REMAINDER BEING RETURNED TO THE ACCOUNT TO PAY CLAIMS FOR INJURIES FROM ACCIDENTS OCCURRING ON OR AFTER JULY 1, 1990; REQUIRING THAT IN SUBSEQUENT YEARS THE EXCESS FUNDS FROM CLAIMS OCCURRING BEFORE JULY 1, 1990, BE TRANSFERRED TO THE ~~STATE SPECIAL REVENUE ACCOUNT~~ IN 39-71-2321 TO PAY CLAIMS FOR INJURIES FROM ACCIDENTS OCCURRING ON OR AFTER JULY 1, 1990; REQUIRING PAYMENT OF CLAIMS FOR INJURIES FROM ACCIDENTS OCCURRING BEFORE JULY 1, 1990, FROM THE ACCOUNT ESTABLISHED FOR PAYMENT OF CLAIMS FOR INJURIES FROM ACCIDENTS OCCURRING ON OR AFTER JULY 1, 1990, BUT LIMITED TO THE AMOUNT OF EXCESS FUNDS RETURNED TO THE ACCOUNT FOR CLAIMS FOR INJURIES OCCURRING ON OR AFTER JULY 1, 1990 IF CLAIMS ARE NOT ADEQUATELY FUNDED FOLLOWING THE EXCESS FUND TRANSFER; AMENDING SECTION 39-71-2352, MCA; PROVIDING ~~AN APPROPRIATION~~ APPROPRIATIONS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 39-71-2352, MCA, is amended to read:

"39-71-2352. Separate payment structure and sources for claims for injuries resulting from accidents that occurred before July 1, 1990, and on or after July 1, 1990 -- spending limit -- authorizing transfer of money between accounts for payment of claims. (1) Premiums paid to the state fund based upon wages payable before July 1, 1990, may be used only to administer and pay claims for injuries resulting from accidents that occurred before July 1, 1990. Premiums paid to the state fund based upon wages payable on or after July 1, 1990, may be used only to administer and pay claims for injuries resulting from accidents that occur

1 on or after July 1, 1990.

2 (2) The state fund shall:

3 (a) determine the cost of administering and paying claims for injuries resulting from accidents that
4 occurred before July 1, 1990, and separately determine the cost of administering and paying claims for injuries
5 resulting from accidents that occur on or after July 1, 1990;

6 (b) keep adequate and separate accounts of the costs determined under subsection (2)(a); and

7 (c) fund administrative expenses and benefit payments for claims for injuries resulting from accidents
8 that occurred before July 1, 1990, and claims for injuries resulting from accidents that occur on or after July 1,
9 1990, separately from the sources provided by law.

10 (3) The state fund may not spend more than \$1.25 million a year to administer claims for injuries
11 resulting from accidents that occurred before July 1, 1990.

12 (4) As used in this section, "adequately funded" means the present value of:

13 (a) the total cost of future benefits remaining to be paid;

14 (b) the cost of administering the claims; and

15 (c) an additional amount equal to 10% of the total of the amounts in subsections (4)(a) and (4)(b).

16 (5) ~~By October 1 of each year following the first full fiscal year after termination of the old fund liability~~
17 ~~tax, any~~ Based on audited financial statements adjusted for unrealized gains and losses for the fiscal year
18 ending June 30, 2002, funds in excess of the adequate funding amount established in subsection (4) must be
19 ~~returned to the account established in 39-71-2324 to pay claims for injuries resulting from accidents that~~
20 ~~occurred on or after BEFORE July 1, 1990. The total amount of funds returned to the account under this section~~
21 ~~may not exceed \$63.8 million~~ must be transferred as follows:

22 (a) Prior to June 30, 2003, \$1 million \$32,896 must be transferred to the state general fund, with the
23 remainder to be transferred into a state special revenue account to be used as follows:

24 (i) \$639,417 to offset fiscal year 2003 funding reductions in foster care services;

25 (ii) \$302,021 to offset fiscal year 2003 fund reductions in child-care matching funds for child-care
26 services;

27 ~~(iii) \$258,736 to offset fiscal year 2003 reductions in medicaid day treatment for children;~~

28 ~~(iv)(III) \$686,197 to offset fiscal year 2003 reductions in medicaid outpatient mental health services for~~
29 children with serious emotional disturbances and adults with serious mental illness;

30 ~~(v)(IV) \$250,247 to offset fiscal year 2003 reductions for expanded mental health services for~~

1 nonmedicaid children;

2 ~~(vi)(v) \$89,222 to offset fiscal year 2003 reductions to restore the children's health insurance program~~

3 waiting list;

4 ~~(vii) \$588,768 to offset fiscal year 2003 reductions for the fiscal year 2003 provider rate increase;~~

5 ~~—— (viii) \$775,107 to offset fiscal year 2003 reductions for the across-the-board provider payment~~
6 ~~reductions;~~

7 ~~—— (ix) \$673,931 to offset fiscal year 2003 reductions in medicaid long-term benefits; and~~

8 ~~(x)(vi) any remainder to the state special revenue account created in subsection (5)(a); AND~~

9 ~~(vii)(vi) \$2.5 MILLION TO OFFSET FISCAL YEAR 2003 FUNDING REDUCTIONS IN PROGRAMS FOR WHICH SCHOOL~~

10 ~~DISTRICTS ARE ALLOCATED MONEY UNDER 20-9-542, TO BE ALLOCATED AS PROVIDED IN 20-9-542; AND~~

11 ~~(vii) THE REMAINDER TO BE RETURNED TO THE ACCOUNT ESTABLISHED IN 39-71-2321 TO PAY CLAIMS FOR~~

12 ~~INJURIES RESULTING FROM ACCIDENTS OCCURRING ON OR AFTER JULY 1, 1990.~~

13 (b) In subsequent years, the entire amount of funds in excess of the adequate funding amount

14 established in subsection (4) must be transferred to the state special revenue account created in subsection

15 ~~(5)(a)~~ ACCOUNT ESTABLISHED IN 39-71-2321 TO PAY CLAIMS FOR INJURIES RESULTING FROM ACCIDENTS OCCURRING

16 ON OR AFTER JULY 1, 1990.

17 (6) If in any fiscal year after the old fund liability tax is terminated claims for injuries resulting from

18 accidents that occurred before July 1, 1990, are not adequately funded, any amount ~~returned to the account in~~

19 ~~39-71-2321 to pay claims for injuries resulting from accidents that occurred on or after July 1, 1990, must be~~

20 ~~transferred back to the account established in 39-71-2321~~ necessary to pay claims for injuries resulting from

21 accidents that occurred before July 1, 1990, must be paid for from the account provided for in 39-71-2321 to pay

22 claims for injuries resulting from accidents that occurred on or after July 1, 1990, BUT MAY NOT EXCEED THE

23 AMOUNTS RETURNED TO THIS ACCOUNT UNDER SUBSECTION (5).

24 (7) The independent actuary engaged by the state fund pursuant to 39-71-2330 shall project the unpaid

25 claims liability for claims for injuries resulting from accidents that occurred before July 1, 1990, each fiscal year

26 until all claims are paid."

27

28 NEW SECTION. Section 2. Appropriation. (1) There is appropriated \$4,640,863 \$1,967,104 from the

29 state special revenue account created in 39-71-2352(5)(a) to the department of public health and human

30 services for fiscal year 2003.

1 (2) THERE IS APPROPRIATED \$2.5 MILLION FROM THE STATE SPECIAL REVENUE ACCOUNT CREATED IN
2 39-71-2352(5)(A) TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION FOR FISCAL YEAR 2003.

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4 NEW SECTION. **Section 3. Effective date -- retroactive applicability.** [This act] is effective on
5 passage and approval and applies retroactively, within the meaning of 1-2-109, to excess funds that have been
6 transferred or are available to be transferred for the fiscal year ending June 30, 2002.

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